

**Idaho Board of Health and Welfare
Minutes
January 31, 2007**

The Board of Health and Welfare convened at:

Pete T. Cenarrusa Building
450 W. State Street, 10th Floor
Boise, Idaho

Board Members Present

Quane Kenyon, Chairman
Richard Armstrong, Secretary
Dan Fuchs
Don Gross
Janet Penfold
Tom Stroschein
Stephen Weeg
Representative Pete Nielsen (designee for Representative Sharon Block)

Staff Present

David Butler
Richard Schultz
William Walker
Jeanne Goodenough
Elsie Boyd
Tom Shanahan
Heather Wheeler

CALL TO ORDER

Following proper notice in accordance with Idaho Code §67-2343 and pursuant to call by the Chairman, the meeting of the Idaho Board of Health and Welfare was called to order by Quane Kenyon, Chairman of the Board, at 8:30 a.m., Tuesday, January 31, 2007, at the Pete T. Cenarrusa Building, 450 W. State Street, in Boise. Chairman Kenyon welcomed those in attendance.

ROLL CALL

Richard Armstrong, Secretary, called the roll. Roll call showed 7 members present. Absent and excused—Gross (who joined the meeting at approximately 9:15 a.m.), Roberge, Nye, Lodge. With six voting members being present, Chairman Kenyon declared a quorum.

PUBLIC COMMENT PERIOD

Chairman Kenyon opened the floor for public comment. There being none, the Board advanced to the next order of business.

APPROVAL OF BOARD MINUTES

Chairman Kenyon presented the minutes of the meeting held November 16 and 17, 2006. Mr. Weeg recommended a number of changes. Thus, Chairman Kenyon directed the minutes be corrected at the break and their adoption considered later in the meeting.

SUBCOMMITTEE REPORTS

Support Services

- Through six months of the year, the Department continues to run under projected expenses. Personnel costs are under approximately \$3.8 million on expenses of \$82.6 million. Operating expenses are reported to be under by \$10 million on spending of \$52 million; Trustee and Benefits are under by \$38 million on expenses of \$646 million. Board expenses as of December 31, 2006, are \$47,150. It is anticipated the cost of the annual report will be \$2,200.
- The EPICS replacement project expended \$1.4 million of the anticipated annual budget of \$5.6 million through the first six months.
- As reported in November, the Medicaid Management Information System (MMIS) requests for proposals have been released. The Department has received and responded to two rounds of questions. A second bidders' conference will occur on February 15, which will lead to a third round of questions. Expenses have been \$300,000 to date.
- Legislation is being proposed by Representative Matthews (District 33) to set up a Certified Medicaid Fraud Control Unit in the Office of the Attorney General. The Department will take a neutral position. the responsibilities and workload for the Department's Medicaid Fraud Unit will not diminish. Idaho and North Dakota are currently the only states not operating in this fashion.
- Executive Branch legislative actions include the restructuring of the Office of the Governor and its reporting departments and divisions, including the "devolvement" of the Department of Administration and Division of Human Resources.

Community and Legislative Services

The report of the Community and Legislative Services Subcommittee was included with the Rules and Legislation Update.

FACS and Welfare Services

The report of the FACS and Welfare Services Subcommittee was included with the Director's Report.

Health Services

- At the last Board meeting Representative Skippen expressed concerns about mental health and substance abuse services and, in particular, about a letter the Department received from the federal Department of Health and Human Services regarding a grant

called Idaho's Building on Each Others Strengths Initiative. The letter included concerns about the degree of compliance by the Department, fulfillment of the grant obligations, and how well the Department serves children with serious emotional disturbances and children at risk. The letter recommended the development of a broad-based and comprehensive strategic plan, which needed to be submitted by January 15, 2007, and approved by the federal project officer in advance of any request for additional federal funds. The document was completed, which included activities to assist families in staying together, and submitted December 27, 2006. An email was received by the Department January 17, 2007, which stated the plan had been approved.

- The Legislative Interim Committee on Mental Health and Substance Abuse Treatment Delivery Systems developed a number of recommendations regarding strengthening the State approach to delivery services for mental health and substance abuse treatment. In response to discussions with the Interim Committee, the Department developed funding recommendations for 2008 which included the replacement of potential lost federal funds of \$6.7 million and additional funding for substance abuse services; it also requested funding for mental health services to address problems identified by the Interim Committee. The Governor's budget request did not include those decision units and did not include any replacement funds for substance abuse.
- The Jeff D lawsuit filed in federal district court against the Department approximately 30 years ago regarding the treatment of adolescents is still being contested. The 2008 budget request for the Department requested funding to address some of the concerns outlined in the lawsuit, however, those funds were not included in the Governor's budget request.
- Preliminary data through tracking of Medicaid enrollment for the first two months of this fiscal year and four months of tentative data (not all applications have been processed) shows a stable number of Medicaid participants in July and August. The Board was provided a document showing previous Medicaid categories and current categories under Medicaid modernization
- The threat of West Nile virus has ended with the freezing weather. Areas of the state that experienced big outbreaks last year will be the least affected next summer. This is because those who were bitten but did not develop symptoms are, in effect, inoculated against the disease.
- The Bureau of Homeland Security is coordinating the State's efforts dealing with West Nile virus, with specific departments having jurisdictions. The Department of Health and Welfare has jurisdiction over humans impacted by the virus. It is anticipated that areas of the state hardest hit by West Nile virus in 2006 will have greater immunity the summer of 2007.

- State law mandates the provision of a poison control center by the Department of Health and Welfare. The Department has requested additional funds to support the increasing costs of this service, however, the request was not included in that of the Governor. Thus, the Department will propose repeal of the statute mandating the poison control center. Representative Nielsen expressed an interest in exploring potential legislation to increase drivers license fees in order to fully fund the poison control center.

Member Don Gross was recorded present at the meeting.

Motion: Stephen Weeg moved that the Board of the Department of Health and Welfare send a letter to the Joint Finance-Appropriations Committee expressing support of the Department's original budget request in mental health and substance abuse services as a method of improving mental health and substance abuse treatment in Idaho and, most critically, that the Joint Finance-Appropriations Committee find replacement funding for the Access to Recovery federal dollars being lost in order not to see a loss of substance abuse treatment services in the state of Idaho.

Second: Commissioner Tom Stroschein

Vote: Ayes: Fuchs, Gross, Kenyon, Penfold, Stroschein, Weeg, Nielsen--7
Nays: None
Absent: Roberge, Lodge--2

Motion carried.

DIRECTOR'S REPORT

- The 2004 food stamp error rate was 9 percent and in 2005 it was over 8 percent, both of which exceed the threshold of 6 percent established by the federal government. The Department is now at 4.4 percent. Director Armstrong praised the Division of Welfare for its superb quality control and process improvement.
- There has been a processing backlog of applications to determine eligibility for family Medicaid services. The Department receives approximately 180,000 applications per year, of which about half will qualify for services. At the first of December about 4,500 applications were 45 days old; as of last week that number was at 2,100. A strategy is now in place that by the end of March all applications will be reviewed within 45 days; following which the goal will be to review in less than that amount of time.

The federal requirement of source verification of citizenship has slowed the process of updating the EPICS system, which is the eligibility system. State legislation is being discussed on this subject for this year which will require anyone receiving federal or state services from the government will have to be a citizen or a legal alien. The State of Idaho has required applicants for family Medicaid services to attest to being citizens or to provide their identification number in the case of a legal alien. The Department now has

a Social Security database available to verify the information provided. The Department has request four additional staff to assist in the source verification process for Medicaid.

- The Medicaid Management Information System (MMIS) requests for proposals (RFP's) have drawn a lot of attention. There has been an extreme amount of attention by lobbyists, and Department staff has met with members of the Joint Finance-Appropriations Committee (JFAC), individual legislators, and staff at the Governor's Office to present information about the process. Idaho is looking at a new way of processing Medicaid claims. A second bidders' conference will be held at the request of the Governor. Responses to the RFP's are expected by March 15.
- The Department has a pressing need to have beds in a secure mental health facility. A number of people (41 currently) have been mandated to the Department who are dangerous criminals not mentally capable of defending themselves in court. The Department retains jurisdiction until the individual is judged competent. The Department of Corrections has requested funding for a secure mental health facility; however, it doesn't look promising. The Department is currently exploring what can be done in existing Health and Welfare facilities to provide the needed security.
- Director Armstrong complimented staff who presented agency budgets to JFAC. He believes the outcome will be for legislators to realize the Department is open and staff will communicate truth, with no hidden agendas. He believes the credibility of the Department is improving, and he's received positive feedback from legislators so far.
- The computer kiosks being piloted in the Mountain Home Office for electronic client applications has gone well. The Department is exploring how to expand that service to other offices.
- The call center piloted at the Westgate office has been a success. The dilemma is that the vendor has come back to renegotiate the price, with a 30 to 160 percent increase based on components. Because of the cost, the Department may have to explore incorporating this tool into the current workforce and eliminating the vendor.

JOINT FINANCE-APPROPRIATIONS COMMITTEE UPDATE

- Members were provided a summary of the appropriation request of the Department as well as the Governor's recommendation. Some requests of the Department were reprioritized out of the Governor's request. The thirteen supplemental requests and slightly more than twenty of the Department's requested 50 line items for expansion were recommended by the Governor. The largest supplemental request was a \$37 million total fund rescission, of which \$11.1 million is general funds; this is from Medicaid trustee and benefits, the largest payment fund in the Department. This was the result of a leveling off or reduction of the case load.

- In the Division of Welfare, line item 8, Child Support Federal Funding [Deficit Reduction Act] DRA Funding Loss, the Department requested \$778,000 of general funds, which would result in a federal match that would increase the total to \$2,287,500. In the past, the Department received federal awards or bonuses for exemplary performance in the child support program. These awards or bonuses were allowed to be used as “state” funds, which could be matched with federal funds. The DRA forbids the use of federal awards or bonuses to receive matching funds. The Department previously received close to \$1.5 million, an amount on which the program has come to rely.
- The poison control center was funded out of the grant Temporary Assistance to Needy Families (TANF). The Department files two reports with the federal government annually. One describes areas or programs where TANF funds will be used; the second is the financial expenditure report. Congress reauthorized TANF funds and directed an audit. Although the Department filed reports for many years, the outcome of the audit was that poison control and other uses designated by the Department were disqualified as uses for TANF funds. Although the Department does not agree with the results of the audit, if the Department deliberately uses funds to support programs deemed inappropriate through the audit, it would receive a double penalty—the amount of the TANF award would be reduced on a permanent basis by the amount expended and the maintenance of effort required to receive those fund is increased by that amount.

RULES AND LEGISLATION UPDATE

Members were provided a summary of Department rules being presented to the Legislature.

- Nine of the thirty-three documents were approved by the Board; the remaining rules do not fall under its purview. Medicaid docket 16-0310-0602 was amended by both legislative bodies by the deletion of a section which related to the enhancement of mental health coverage. Representative Nielsen invited a member of the Department to provide further information about the rule to the House Health and Welfare Committee and he would explore the possibility of having it reconsidered. Mr. Weeg cautioned that a review of the budget neutrality of the rule should also be considered.
- The large numbers of rules developed in Medicaid are the result of legislation passed last year regarding Medicaid modernization/simplification, so all Medicaid rules had to be rewritten.
- Rules were presented to rewrite the Idaho child care program efforts. This was the result of a finding by the Legislative Auditors and Office of Performance Evaluation that the eligibility income level being used was at the 1998 poverty level. The audit finding encouraged the Department to move to the current year’s poverty level, however, the proposed rule moved income to the 2005 level. Because there is a fixed amount of money available for this program, the Department chose to limit the number of individuals who would be eligible in order to keep the rule budget neutral. Changes to

the rules included a requirement for post secondary students to work a minimum of 10 hours per week and to limit their eligibility from four years to two. The Senate approved that rule change; however, it was rejected by the House.

Members were provided a summary of legislation being tracked by the Department.

- Senator McGee is proposing legislation that would limit public benefits to citizens and legal aliens.
- Senator Kelly is planning to introduce legislation that would limit voting powers of the Board of Health and Welfare to the seven regional representatives appointed by the Governor. Senator Kelly believes this is a separation-of-powers conflict with members of the legislature voting at the Board-stage on Executive Office rules.

MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS)

A presentation was provided by Patti Garofalo, Senior Project Manager with the Division of Information Technology Services, regarding the status of the Medicaid Management Information System (MMIS). The current procurement approach includes multiple Request for Proposals (RFP) with four major components—Base System, Decision Support System (data warehouse), Electronic Document Management System, and Pharmacy Benefits. The fifth RFP includes Quality Assurance Independent Validation and Verification. The benefits of this approach include leverage of commercially available software; reduction in reliance by the Department on a single vendor; an increase in competition in the vendor community; improved decision and cost controls; and conformance to information technology industry standards. This approach will increase competition, which hopefully will provide a lower cost of service. The RFP's are due March 20, with an announcement of award in May or June. The implementation is expected to begin in July 2007.

CONFIRMATION OF DIVISION ADMINISTRATOR, PUBLIC HEALTH—JANE SMITH

Jane Smith is a registered nurse, employed with the Department since 1986. She has promoted through various positions, including Preventative Medicine Bureau Chief, Public Health Services Bureau Chief, and Health Policy and Vital Statistics Bureau Chief, State Registrar, and Deputy State Health Official.

Motion: Stephen Weeg moved to approve Jane Smith as Division Administrator for Public Health.

Second: Dan Fuchs

Vote: Ayes: Fuchs, Gross, Kenyon, Penfold, Stroschein, Weeg, Nielsen--7
Nays: None
Absent: Roberge, Lodge—2

Motion carried.

PROTECTEENS PRESENTATION

Deputy Attorney General Brian Kane presented ProtecTeens. This video presentation was developed by Idaho Attorney General Lawrence Wasden and Secretary of State Ben Ysursa in an effort to educate parents about the potential danger to children from sexual predators on the Internet.

STRATEGIC PLAN UPDATE

The strategic plan has been presented to the Division of Financial Management (DFM) on July 1, 2006. As mandated by Idaho Code, reports were submitted to DFM on September 1, 2006. The strategic plan has been provided to all Department staff. Regional Directors are communicating about the plan with regional staff, Division Administrators are communicating with central office staff, and there is an expectation that all staff will complete an on-line course before February 28, 2007. Next steps will be to update every July 1. Members were invited to provide any input or recommendations to the Director or Mr. Butler; those comments will be incorporated into the plan.

OTHER BUSINESS

Motion: Stephen Weeg moved for approval of the minutes of the November 16 and 17, 2006, meeting of the Idaho Board of Health and Welfare, as corrected.

Second: Janet Penfold

Vote: Ayes: Fuchs, Gross, Kenyon, Penfold, Stroschein, Weeg, Nielsen--7
Nays: None
Absent: Roberge, Lodge—2

Motion carried.

Chairman Kenyon presented the minutes of the meeting held December 6, 2006.

Motion: Stephen Weeg moved for approval of the minutes of the December 6, 2006, meeting of the Idaho Board of Health and Welfare.

Second: Janet Penfold

Vote: Ayes: Fuchs, Gross, Kenyon, Penfold, Stroschein, Weeg, Nielsen--7
Nays: None
Absent: Roberge, Lodge—2

Motion carried.

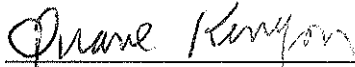
ADJOURNMENT

Chairman Kenyon invited Members to attend the 3 p.m. meeting of the Senate Health and Welfare Committee. Consideration will be given to the Governor's appointments of Commissioner Tom Stroschein to the Board of Health and Welfare and Richard Armstrong to Director of the Department.

The next meeting is scheduled be held March 15 and 16, 2007.

The meeting adjourned at 2:15 p.m.

Respectfully signed and submitted by:



Quane Kenyon, Chairman



Richard M. Armstrong, Secretary



Elsie Boyd, Executive Assistant and Recorder